



Press release

Bologna, 13 November 2000

IMA Group: exceptional growth expected in 2000

Lower first half results do not alter the positive outlook for 2000, reinforced by strong growth in the order book (+52%)

The Board of Directors of IMA S.p.A. met today to examine and approve the report on the Group's operations for the six months ended June 30, 2000.

In the first half of this year, the Group's consolidated revenues came to L. 202.3 billion (L. 199.7 billion in the corresponding period of 1999). On a consistent comparative basis, i.e. excluding the contribution of the newly-acquired companies Kilian and GS, revenues were L. 171.7 billion (14% lower than in the first six months of '99). The pre-tax result was a loss of L. 3.2 billion (compared with a profit of L. 17.7 billion in the first half of '99).

The downturn in results is attributable to the fall in revenues relative to 1999 as a result of delays in delivering certain important orders and the smaller order book at the start of the year. In contrast, the flow of new orders was extremely dynamic during the period, while operating margins, as a percentage of revenues, have improved compared with last year, partly thanks to appreciation in the dollar.

In fact, the Group's order book climbed to L. 319 billion at the end of June (up 52% compared with the figure of L. 210.2 billion reported a year earlier). This augurs extremely well for the full-year results.

Consolidated revenues for the full year are expected to rise sharply to L. 570 billion (up 25% relative to the '99 figure of L. 453.2 billion), while operating income should continue to be around 13% of revenues, even after deducting goodwill amortization in respect of Kilian and GS.

Net financial indebtedness came to L. 176.8 billion at the end of the first half of 2000 (L. 76.4 billion at June 30, '99). The impact of the new acquisitions of overall borrowings amounted to around L. 90 billion.

"The first-half results - commented Marco Vacchi, IMA's Chairman - do not give us cause for particular concern as they have been accompanied by a record level of orders. We are also very satisfied with the excellent reception given by all our customers to the numerous new products presented at the recent Achema trade show in Frankfurt. The year 2000 will be a one of exceptional growth for our Group, with the newly-acquired companies Kilian and GS performing far better than expected".